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Socialism in Poor Countries

PAUL M. SWEEZY

Stagflation

DOUGLAS F. DOWD

Critique of Illich

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Polish Workers on a Good Course

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NOTES FROM THE EDITORS

That Mao's death, coming so soon after the deaths of Chou En-lai and Chu Teh, marks the end of an epoch is obvious. Mao was undoubtedly the greatest Marxist and revolutionary since Lenin, and history may in time rate him even higher. There will of course be many inside and outside China who will canonize Mao while using him for non- and even counter-revolutionary purposes (witness what has happened to Lenin in the USSR). Against this, his millions of admirers and pupils throughout the world must never cease to insist that Mao's greatness, like that

(*Continued on inside back cover*)

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SOCIALISM IN POOR COUNTRIES

By Paul M. Sweezy

In discussing socialism, whether in rich countries or in poor countries, what we need first of all is not a definition but a sense of historical perspective.

The term itself originated in France in the early years of the nineteenth century. The first socialist movement was the Owenites in England, beginning in the late 1820s. Thereafter until roughly the middle of the century, socialist ideas and sects proliferated in France, England, Belgium, and western Germany. What gave rise to the whole phenomenon and knitted its various strands together was not a common goal or plan for a new social order but a widely shared reaction to the great historical forces which were then transforming the societies of Western Europe and parts of North America—forces which, for better or worse, have been subsumed under the heading of the industrial revolution.

This is a draft, subsequently much reduced in length, for a lecture forming part of a series presented in a TV educational program by Südwestfunk, the regional broadcasting headquarters located in Baden-Baden which serves a large area in southwest Germany.

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This label unavoidably calls attention to the physical and technological aspect of the historical movement to which it is applied. That this aspect was important surely no one would deny. But it was only one aspect and in human terms far from the most important. What took place was a far-reaching transformation of the social relations of production and the class structure of society. Workers, including women and children, were concentrated in large factories tending machines driven by steam power; control of the factories and what and how they produced was wholly in the hands of capitalists interested solely in maximizing their profits and expanding their capital; populations were thrown together in increasingly vast urban agglomerations polarized between the privileged few and the impoverished many; power, divorced from responsibility, accrued to the rich; neglect, misery, disease, and early death were the lot of the oppressed and exploited masses.

It would of course be wrong to maintain that these conditions appeared suddenly out of nowhere in the late eighteenth and early nineteenth centuries. Like everything else in history, they had deep roots in the past. But a qualitative change did take place then, and it had a profound impact on the consciousness of the societies most immediately affected. The beneficiaries of the changes under way naturally looked upon the new developments as pure progress, or perhaps as the will of God, in any case hardly to be questioned. Conservatives saw mostly the destruction of an earlier, idealized golden age. And many others—drawn from all classes and strata of society but reflecting the miseries and yearnings of the poor, the uprooted, the exploited—dreamed of and soon began to work for a better society in the future. The contours of this society differed greatly from individual to individual and from sect to sect, but they all had in common the vision of a suffering and divided humanity, united—some would say re-united—in a genuine community willingly sharing burdens and joys on a basis of equality, consciously working for the common good, striving to realize the full potential of human beings.

It was this vision which in one form or another underlay all the socialisms of this turbulent period. And it was a vision which was fully shared by Marx and Engels when they came

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on the scene in the 1840s. It is true that the socialism of Marx and Engels differed radically from that of their predecessors and contemporaries. But the differences concerned not so much the shape of the society to come as the analysis of the present and the methods by which the society of the future was to be achieved. When Marx and Engels opposed scientific socialism to utopian socialism they were not quarreling with the Owenites, the Fourierists, and the St. Simonians over what was desirable (though of course there were differences there too) but rather over how the desirable could become the real. The utopians believed that a new and better society could and would be created by men of good will acting according to the dictates of reason. Marx and Engels believed that a proper understanding of history, achieved by the methods of scientific inquiry, showed that a new and better society was already in gestation and would be brought into being by the revolutionary action of the industrial proletariat which was itself the special product of the industrial revolution sweeping over Western Europe. But they never for a moment dreamed of renouncing the vision of that society as one of classlessness, equality, community, and human solidarity. These, they believed, were the deepest needs of the dispossessed, exploited, and alienated proletarians; and they had no doubt that the proletarians—who had "nothing but their chains to lose, and a world to win"—would in due course act to fulfill these needs.

The history of the late nineteenth and twentieth centuries has been much more complicated than Marx and Engels anticipated. (This fact in no way impugns the scientific nature of their historical method and theory since no science, and least of all social science, can pretend to a complete understanding of its subject matter.) What happened was that capitalism, in spreading beyond the restricted area of its birth, brought the whole globe under its dominance but not as the simple replication of the relatively pure capitalist societies which had already taken shape and were continuing to develop at the center. Pure capitalist relations did indeed spread into the periphery, but the expansion of capitalism was by no means an exclusively economic phenomenon. Precapitalist societies were subjugated and subjected to a variety of fates. In some the native popula-

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tion was exterminated, the vacuum being filled either by an imported capitalism or by systems of slavery or other kinds of forced labor producing for international markets. In others precapitalist social formations and modes of exploitation were taken over, remolded, and made to serve the interests of native ruling classes and metropolitan capitalists. The upshot was the division of the globe into a dominant capitalist center on the one hand and a dominated capitalist/precapitalist periphery on the other, with the former exploiting the latter in a variety of ways both economic and political.

This development, which began in the early days of capitalism but came to full fruition only in the closing decades of the nineteenth century, produced fateful consequences in both the center and the periphery. In the center what had seemed in Marx's day to be relatively narrow limits to the process of industrialization and capital accumulation were greatly extended. The system, despite recurring crises and bloody internecine wars, not only survived but was able to prolong the period of rapid growth of output and income which began about the middle of the nineteenth century. Competitive capitalism gave way to monopoly capitalism; the state assumed an ever more important role in economic affairs; comprehensive welfare systems were introduced, mitigating the miseries and suffering of the working class and the (capitalistically indispensable) reserve armies of labor. As a result of these and related developments, the class struggle in the countries of the center diminished in intensity and at the same time assumed more and more reformist or economistic forms. Under these circumstances socialist parties, most of which by this time had officially embraced Marxian ideology, became increasingly concerned with making further gains within the framework of the existing social order. For a long time lip service was still paid to the revolutionary goals which animated the early socialist movements, but in the course of time even this changed. First the Social Democratic parties (after the First World War) and later the Communist parties (after the Second World War) lost their vision of a new and qualitatively different society; abandoned what had been the central plank of the Marxian platform in the heyday of the First International (1860s), i.e., abolition of the wages

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system (the core relation between capitalist and worker); and accepted, tacitly or with one or another improvised rationalization, the division of the world into exploiting center and exploited periphery.

This last point is of crucial importance. It means in effect that the European and North American proletariat, exploited though it was by its own capitalists, nevertheless joined in an uneasy alliance to share the fruits of the exploitation of the periphery. At the same time it needs to be emphasized that this alliance is inherently unstable and contradictory and is by no means based upon a permanent identity of interests. During the period under review, however, despite ups and downs the alliance held, fortifying the dominance of the center over the periphery and reducing socialism in the lands of its birth to a relatively innocuous movement of reform. This is not to imply that revolutionary socialism ceased to exist in the center. The basic features of capitalism which make it a humanly repulsive and ultimately self-destructive society were not only not eliminated but in many respects were actually exacerbated. And this fact continued to penetrate the consciousness of millions of people from all walks of life. However, for the time being, revolutionary socialism was largely deprived of its organized working-class base, and without this base it was bound to remain a potential rather than an actual revolutionary force.

In the periphery, also popularly known as the Third World, things developed very differently. There, the same capitalism which had produced advanced industrialized societies in the center spawned a variety of social formations which, because of their dependent status, were molded by a combination of economic and political forces to serve the needs of the center.

There is no need for present purposes to attempt to categorize these dependent societies, still less to analyze their specific modes of functioning. It is enough to establish that they all experienced a process, often and aptly described as underdevelopment, which typically entailed a whole series of disastrous economic and social consequences. Production was oriented to one or a few commodities for export to the center—minerals, raw materials, foodstuffs; indigenous manufactures and handicrafts were ruined by the competition of cheap machine-made

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imports from the center; traditional elites were bolstered up and given additional power and privileges by foreign overlords; peasants were driven off the land to make way for large estates and plantations; growing urban populations were increasingly crowded into fetid slums and shantytowns.

In recent years (mostly since the Second World War) a considerable amount of modern industry has grown up in parts of the periphery, but it has tended to aggravate rather than alleviate the economic imbalances and social ills of the societies in which it has been implanted. A full explanation of this apparent paradox would be complicated, but the main point is clear: the driving force of industrialization has all along been giant multinational corporations which are concerned only to make the greatest possible amount of profits, not to satisfy the needs of the masses. In pursuit of profits they have naturally oriented their production in response to effective demand, which means for export and/or for the market provided by the small local upper classes (including the state controlled by these classes). Production of this kind requires the utilization of modern capital-intensive technology, the job-creating potential of which is negligible compared to the vast and growing pools of unemployment which characterize the periphery. Competition for jobs has kept wages low, and brutally repressive local dictatorships—an all but universal feature of the periphery today—have prevented workers from organizing to protect their interests. In these circumstances the real income of workers (and of the peasant masses as well) has tended actually to decline. (In Brazil, the most widely touted example of a Third World economic success story in the later 1960s and early 1970s, this decline may have been as much as 40 percent from the time of the military takeover in 1964.) On top of all this must be added the fact that the multinational corporations have regularly brought back to their headquarters in the center a large part of the profits garnered in the periphery. All in all it is clear that industrialization, far from being the panacea often depicted by liberal apologists of capitalism, has only added to the contradictions and woes of the dominated and exploited periphery.

Here I would like to advance an argument which I think can be helpful to an understanding of the history of our time:

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there are important similarities between the situation which existed in the center in the nineteenth century and that which exists in the periphery in the twentieth. Traditional patterns of social relations torn apart. Masses of people uprooted and subjected to the arbitrary play of impersonal forces beyond understanding or control. Extreme polarization of societies into riches, privilege, power on the one hand and poverty, suffering, frustration on the other. An old world destroyed, a new world in chaos: such were the results of the industrial revolution of the eighteenth and nineteenth centuries in Western Europe, and such are the results for the vast majority of humankind of the deepening center-periphery split in the twentieth century.

If these processes, allowing for an enormous change in scale, had much in common, it should be no surprise that they had comparable effects on people's ideas, feelings, and aspirations. In each case a crossroads had been reached; except for a small minority, the existing situation was unacceptable and impossible; the options were to go back to what had been, or forward to what reason said could be. As we have already seen, it was under these circumstances that socialism as an ideal and as a movement was born more than a century ago, and it is under these circumstances that socialism has been reborn in our own time. In both cases it came into the world as a profoundly radical and revolutionary movement. This changed in the center, as part of the very same process which set the stage for the rebirth of socialism in the periphery. But this change neither erased the early history of socialism in the center nor diminished its importance for the development of present-day socialism in the periphery. In particular, the fact that the battle between utopian and scientific socialism was fought out in Europe in the nineteenth century made a replay unnecessary, and indeed impossible, in the twentieth. It can be said with scarcely any exaggeration that there is no utopian socialism in the Third World today.

Instead we have a grotesque caricature of utopian socialism in the form of a proliferation of pseudo-socialisms offered by all manner of politicians and parties to convince the masses that they stand for and will deliver a combination of the traditional ideals of socialism together with what is supposed to

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be best in the familiar values of nationalism, religion, etc. Examples of this genre are "Arab Socialism," "African Socialism," "Indian Socialism," "Islamic Socialism"—every part of the Third World has its variant. All these "socialisms" testify to the enormous appeal to the Third World's people of the original ideals of equality, cooperation, solidarity. At the same time those who raise the banner of these particularistic "socialisms" have no idea how to make good on their promises—and, to tell the truth, with but few exceptions they have no interest in trying to do so. Their aim is to gain and hold political power; and, given the conditions which have been inherited from the past, they can do this only by accepting and adapting to the center-periphery relationship of domination and subordination. It is therefore no accident that with time and experience the pseudo-socialisms of the twentieth century have lost their appeal and by now have become thoroughly discredited.

As we have seen, there was never any fundamental difference between scientific and utopian socialism in terms of their inspiration and vision of the future, and this is equally true of scientific socialism and the proclaimed goals of the pseudo-socialisms of our time. With the discrediting of the latter, therefore, it was inevitable that scientific socialism, which is only another name for Marxian socialism, should move steadily ahead until by now it can truly be said to be in sole possession of the field. In the periphery today it is even truer than it was in Europe a hundred years ago that socialism means Marxian socialism: there are no rivals and no substitutes.

One more question must be answered before we can inquire into the implications of this fact. Marxian socialism won a signal victory in Europe in the nineteenth century and yet declined thereafter to the low point it has reached today. The reason for this, we know, is that capitalism in the center acquired a new lease on life through the conquest and thoroughgoing reorganization of the periphery. For the time being a revolutionary movement was transformed into a reform movement, which naturally had no use for the revolutionary teachings of Marxism. Can the same thing or something similar happen today? Is there any way that capitalism in the periphery can acquire a new lease on life? Can the condition of the mass of

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the people in the underdeveloped countries be improved sufficiently to generate a realistic hope of sustained progress within the framework of the present-day global capitalist system?

The answer to these questions is certainly no. Capitalism's new lease on life in the center was won at the cost of the impoverishment and immiseration of the masses in the periphery. This process continues and is irreversible. The masses of the Third World are truly what Frantz Fanon called the "damned of the earth": for them there is no salvation within the capitalist system. As this becomes increasingly clear, the appeal of socialism can only increase.

Marxism combines two things, a vision of a future society and a conception of how to get there. So far as the vision is concerned, there have been no important changes in the last hundred years. But for the Third World today, getting there appears in a different light than it did to Marx in the middle of the nineteenth century. For one thing the proletariat which Marx saw as the class destined to wage and win the struggle for socialism is relatively small in most of the Third World and practically nonexistent in large parts of it. Under these circumstances to expect the proletariat by itself to be the agent of revolutionary change would be almost as unrealistic as the hopes of the original utopians that socialism could be brought about by the benevolence of men in power. Nor is there any reason to think that the peasants and the impoverished unemployed of countryside and city, though far outnumbering other classes in the Third World, could play the role assigned to the proletariat by Marx. Peasant uprisings and slave rebellions go back to the beginnings of recorded history, but there is no case on record in which they have succeeded in creating a new society.

The first and most important question for socialism in the Third World is thus, What can take the place assigned to the proletariat in the original Marxian theory? And experience, particularly in China and Indochina, where socialism has made its greatest advances, has by now provided the answer. The agent of revolutionary change in the periphery is a conscious movement headed by a disciplined political party drawn from various oppressed classes and strata and guided by a clear Marxist understanding of capitalism in its historical and global manifesta-

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tions. The composition of such a movement and party will naturally vary from one country and region to another, with peasantry, proletariat, petty bourgeoisie, intellectuals, students, represented differently according to the history and degree of development of the societies in question. But everywhere the quality of the leadership is crucially important. It must be seasoned in struggle, closely integrated with the masses, have a good sense of history and a clear understanding of what must and can be done to achieve liberation from the shackles of capitalist and imperialist exploitation.

Even in the best of circumstances the struggle is certain to be long, hard, and violent. China may be taken as prototypical. Both the movement and the Marxist leadership had their origins in the years immediately after the Russian Revolution of 1917. Grave defeats were suffered in the 1920s; the original leadership was discredited and a new one took its place; mass support shifted from the proletariat of the coastal cities to the peasantry of the interior; a 20-year-long guerrilla war was fought against the Kuomintang and the Japanese; the Marxism of the leadership, dogmatic and rigid at first, was gradually adapted to the realities of China's history and China's potentialities.

China's experience shows what is involved in the coming to power of a socialist movement in the Third World. But it also shows that the achievement of power is not the same as the achievement of socialism which, as we already know, is a society very different from that which exists in any part of the capitalist world today—a society from which what the Chinese call the "three great differences" have been eliminated. These are the differences between city and country, between mental and manual labor, and between industry and agriculture. That these differences cannot be eliminated overnight is obvious. But how long and how difficult the task is has only begun to be understood in the light of what has happened in China and Vietnam and several other Third World countries which have seriously embarked on the socialist road in the last three decades.

The first objectives of every socialist movement in power of course are to abolish the forms of exploitation which have characterized the past, revive production if (as is usually the

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case) the economy has been severely damaged in the process of gaining power, and concentrate on the satisfaction of the most urgent needs of the masses. To accomplish these objectives it is necessary to nationalize the factories and other establishments of foreign and domestic capitalists, expropriate large landowners, centralize control of the economy in the hands of the revolutionary government, and mobilize the people to repair damages and increase production of food, clothing, shelter, and other necessaries. Often these activities must be pursued along with continued military operations against counter-revolutionaries and foreign invaders, in which case a period of extreme difficulty and hardship may be experienced. But once the fighting is over, this first phase of recovery can be expected to proceed relatively rapidly. The reason for this is that the measures taken at the outset eliminate the most serious obstacles to the expansion of production and the more rational utilization of resources, and by so doing release reservoirs of mass creativity and energy which were stifled under the old system of dependency and exploitation.

These positive consequences of a successful revolution are not confined to the initial phase of recovery but continue on into the second phase, characterized by socialist accumulation on the one hand and vastly expanded programs of education, health care, and social security on the other. Society's stock of means of production grows more rapidly than before, and the labor force of both city and country becomes better educated, healthier, and more productive. Output, income, and real living standards rise, compared to Third World countries which remain trapped in the capitalist network.

By far the most convincing demonstration of these truths was provided by the comparative development of China and India, the world's two most populous countries, after India's attainment of political independence from Britain in 1947 and China's successful socialist revolution in 1949. Despite massive foreign assistance, chiefly from the United States, India continued to stagnate, with per capita output rising very little and the distribution of income becoming more rather than less unequal. Poverty, unemployment, malnutrition, and in some years even starvation were the lot of the great majority of Indians

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after as well as before independence. In China, on the other hand, production forged ahead; after a few years everyone able to work had useful employment; and this ancient land famous for its periodic famines could boast of a steadily rising level of nutrition and general welfare. And though China had some assistance from the Soviet Union in the early years, this came to an abrupt end in 1960, since when China has repaid all loans and has actually found it possible to provide some foreign aid to even poorer Asian and African countries. These are facts universally attested to by visitors to China and India in recent years. They are explained not by any magic qualities of socialism but at bottom by the revolutionary removal in China of the fetters which (as in India) had so long kept the country in a state of extreme poverty and misery.

It used to be thought by Marxists that a successful revolution followed by an upsurge of production and living standards, such as has actually taken place in China, would automatically lead to socialism. But this could be true only if socialism is conceived in purely economistic terms. As we know, however, this is not what socialism meant to its originators in the early nineteenth century, nor does it correspond to the aspirations of the masses in the Third World in the twentieth century. Socialism is not *only* the production of more material goods, nor even a more equal distribution of material goods. It is a new society, a classless society, a society of real and not merely formal equality, a society from which the three great differences have been eliminated. And to achieve such a society a great deal more is required than quantitative economic progress. What is required above all is a profoundly revolutionary transformation of social relations. Age-old relations of discrimination along lines of race and sex must be eliminated; managers must become workers and workers must become managers; huge urban agglomerations inherited from capitalism must be decentralized; industry and agriculture must be merged; the antagonisms which divide people in class-exploitative societies must be replaced by bonds of solidarity and cooperation. These are the criteria by which success in the struggle to create the socialist society of the future must be evaluated. They have been largely forgotten in the

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reformist movements of the capitalist center, but they are very much alive in the periphery.

There should be no hiding the fact that what is involved in the transition to socialism is a tremendous social change which will occupy a whole historical epoch, comparable perhaps to the historical epoch which marked the transition from food-gathering society to agricultural society. And Chinese experience has already demonstrated that this transition will not be smooth but rather an enormously complicated process characterized by continuing bitter struggles. The heart of the matter, at least at this stage of the transition, is that leaderships, managements, bureaucracies—all of which are indispensable for a long time to come—have a strong tendency to try to entrench themselves as ruling elites, from which it is, as earlier Soviet experience so clearly shows, but a short step to the position of a new exploiting class.

The great struggles which have marked China's development during the later 1950s and 1960s have all turned around the same issue: Could China continue to develop in a genuinely socialist direction, or would a new privileged elite succeed in gaining political control and fortifying its position, perhaps for a long time to come? The latest and greatest of these struggles, the Cultural Revolution, resulted in important gains for the socialist cause. But the victory was not and could not be final. The transition is still in its early stages, and the possibility of turning back will continue to exist for a period measured in decades or even generations. Mao Tse-tung himself has said that not one but many cultural revolutions will be necessary. As of now, all we can say is that this is where socialism stands in China today. But I will add that I for one believe that in this respect China is the bellwether for the Third World as a whole —and ultimately, in what is perhaps a still distant future, for the rest of us too.

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STAGFLATION AND THE POLITICAL ECONOMY OF DECADENT MONOPOLY CAPITALISM

BY DOUGLAS F. DOWD

I

The years since about 1950 have been the most persistently and pervasively expansive in the economic history of capitalism. The expansion manifested itself in all areas of economic activity: in per capita real consumption, most notably in the leading countries and in durables; in all aspects of real investment—all forms of construction and equipment, all areas of productive capacity; in technological change at all levels and in all sectors—product and technique, consumer and producer, industry, agriculture, and services, trivial and fundamental; in enormous increases in world investment and trade. In the major capitalist nations, the largest portion of these same years was one of equally unmatched social and political stability.

None of these developments was unique to the post-Second World War era, but all have been more extensive, deeper, and stronger, and their existence more consciously enhanced and coordinated than earlier ones; nor could any have persisted or had its effects except in combination with all the others. I

This paper was presented at the meetings of the Western Economic Association, June 26, 1976, San Francisco, and was first published in *Rivista Internazionale di Scienze Economiche e Commerciali* (Milan). Douglas Dowd teaches economics at San Jose State University, California.

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refer to: (1) The vast increase in both the absolute and the relative power of supercorporations—within and between industries, sectors, and nations. (2) The equally striking increase in both the quantitative and the qualitative role of the state, in all functional and geographic areas and levels. (3) The strengthening and spread of "consumerism" in the United States and its replication in all the leading and many of the lesser capitalist economies. (4) The re-creation and strengthening of the global capitalist empire, under the leadership of the United States. (5) The concomitant growth of a "military-industrial complex." (6) And, required and facilitated by all these changes, the extension and refinement of the techniques of mass communications for commercial and political exhortation and manipulation: the lubricant of monopoly capitalism.

Taking hold in the early 1950s and running strongly by the early 1960s, sustained economic expansion became the rule and the continuing expectation in the capitalist world among businesses, consumers, and governments, producing a state of economic euphoria and, not for the first time, an associated relaxation of customary prudence. Interestingly, *none* of the major institutional stimuli just referred to could find support in the traditional social philosophy of capitalist societies—not monopoly nor its giant state, not imperialism nor militarism, not even consumerism (with its emphasis on borrowing instead of thrift, upon play rather than work). But the strength and the pervasiveness of the economic expansion deflected attention from and altered attitudes toward such ways and means, as it also obscured the negative potentialities flowing from such a process. In the late 1960s, U.S. economists, echoing their predecessors in the late 1920s, came to believe that "the business cycle has been tamed"—just as stagflation loomed up ahead.

The subsequent response of mainstream economists to the startling reversals of the early 1970s—pervasive and sustained severe rates of inflation combined with pervasive and serious unemployment—has been to offer analyses which implicitly assume that this combination is short-run, both in origin and in prospect. Whether in the academy or in government, almost all economists see what is now called "stagflation" as a two-headed chimera, either one or both of whose heads will, in the

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fullness of short-run time, disappear—its arrival an aberration, its departure imminent. Normalcy is just around the corner.

Some few at the edges of the mainstream have a less comforting view of what began to spread and take hold several years ago. It is that, apart from predictable short-term appearances to the contrary, global capitalism will be unable to shake off either serious inflation or serious unemployment for the foreseeable future—except to lower one at the expense of the other—and that the inability to do so is but one symptom of a deeper malady.

The heart of this argument is that the very institutional developments that created and sustained the long expansion also transformed expansion plus moderate inflation into slowed growth, contraction, plus severe inflation. In short, the social relations that were necessary and beneficial for the capitalist economies of the 1950s and 1960s now yield growing troubles. In the jargon of sociology, what was functional has become dysfunctional.*

It is this alteration that leads me to characterize the present process as monopoly capitalism in decay—meant to suggest a process protracted and confusing rather than swift and obvious. Capitalism may once more find new forms that will allow it to persist, but the institutional combinations of the generation just ending seem to have lost their vitality. If so, stagflation and its associated political and social disorders will find no resolution without deliberate social change going well beyond what is presently accepted or discussed in public. Although future possibilities may well include substantial shifts to the right, or to the left, or into relative chaos in the diversely constituted nations of the capitalist world, what seems most unlikely is a prolonged maintenance of the status quo, with its critical economic component now turning sour.

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* Among others who have contributed to this viewpoint, see the essays by Samir Amin, the present author, and Andre Gunder Frank in three successive issues of the journal *Socialist Revolution,* nos. 23, 24, and 25 (1975), as well as Howard Sherman's forthcoming book, *Stagflation: A Radical Theory of Unemployment and Inflation* (to be published by Harper and Row).

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II

Since "monopoly capitalism" as a designation for the contemporary political economy is not generally accepted usage, a brief comment on its applicability is in order. What is at issue is not the term itself so much as the major structural and behavioral characteristics of the leading capitalist societies. They have little in common with the supposed characteristics of competition and laissez-faire that alone give credibility to the central precepts of conventional ("neo-classical") micro and macro economic theory, the only *theory* possessed by mainstream economists. In the world of the textbooks, the current reality of persisting inflation-unemployment could not happen; in monopoly capitalism it has become a stubborn fact.

A monopoly capitalist society is one whose structures are dominated by the centralization and concentration of almost everything that is valued in the society, but especially of power in almost all aspects of social existence, most clearly in the economy and over the uses of the state. That such are the patterns is commonly recognized and, for the economy, regularly certified—most conveniently in the pages of *Fortune* magazine, with its annual listings of the most powerful corporations in the various sectors of the United States and the global economy, and of their relative shares of profits, sales, assets, employees, etc. The benign neglect by the economics profession of the meaning of these intractable data for their theory is difficult to explain in polite language.

The concentration of private economic power is the dynamic core of monopoly capitalism. That core surrounds itself with, and comes to be surrounded by, a dense and proliferating set of supporting structures and processes. Greatest in importance are those embodied in the growth, the concentration, and the uses of state power, all essential to meet rising and changing economic, political, and social needs as well as to cultivate the opportunities of monopoly capital, nationally and internationally.

The dynamics of state power in our era have mirrored those of private economic power: a vast growth in what is done and in the numbers of those who do it, alongside a rapid shrink-

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age of those who control the nature and directions, and reap the primary benefits, of the process. The modern state, like the modern corporation, has fewer and fewer people presiding over more and more. The top personnel of these two power centers are largely though not totally interchangeable.

Although all this began long ago, its maturity awaited the period after the Second World War. Put together, the elements of mature monopoly capitalism have meant a qualitatively and quantitatively different world from the earlier epoch. To move from the one to the other, at least one more critical change had to be wrought—in the attitudes and the behavior of the underlying population. The technology and the impulses that made monopoly capitalism possible and necessary also provided the means for rendering it popularly acceptable: the modern communications media, and most especially radio and TV. For the success of both commercial and political "messages," modern radio and TV and their psychological and technological supports are indispensable; the main currents of our society are unintelligible and unimaginable in their absence.*

The foregoing are the principal structures and processes of monopoly capitalism. That this is the condition in the leading capitalist societies seems beyond dispute, whether it be called "the bureaucratic society of controlled consumption" (H. Lefebvre), "technological society" (J. Ellul), or (among the many euphemisms of contemporary economics) "neo-mercantilism." At its center sits the giant corporation, conglomerate and multinational.

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* Those who wish to acquaint themselves with the basic U.S. contribution to the delineation and understanding of monopoly capitalism may do so by consulting Paul Baran, *The Political Economy of Growth;* Paul Baran and Paul Sweezy, *Monopoly Capital;* Harry Magdoff, *The Age of Imperialism;* and Harry Braverman, *Labor and Monopoly Capital* (all Monthly Review Press, 1957, 1966, 1969, and 1974, respectively); James O'Connor, *The Fiscal Crisis of the State* (New York: St. Martin's Press, 1973); and Herbert Schiller, *Mass Communications and American Empire* and *The Mind Managers* (Boston: Beacon Press, 1971 and 1973, respectively).

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III

Today's giant began to take shape about a century ago; for capitalists it was the necessary and desirable accompaniment of large-scale production: necessary to avoid destructive price competition, desirable as a means of increasing profits through market control. But until after the Second World War capitalist *society* was neither competitive nor monopolistic in the tone of its leading social institutions; it was an unstable mixture of both. The growth of monopolies is not in itself sufficient to the regime of monopoly capitalism.

Monopolies in the pre-1917 era had gained much in the way of both economic and political power, but the nations and the world in which they existed had not altered in comparable and necessary ways: national and international social and political relationships in principle remained very much dominated by the ideology of early national capitalism; in practice, the society's political economy moved fitfully between substantial elements of both competition and monopoly, and came to suffer the disadvantages more than the advantages of both, nationally and globally.

The two world wars and the protracted political and economic chaos producing them may be seen as consequences of the inability of national and international capitalism to manage its affairs; the relatively prosperous and stable capitalist societies after about 1950 were the reward for having learned that lesson. Put differently, once modern industry came to dominate the functioning of capitalist economies, it became essential either for capitalism to be transcended or for it to find ways to function within considerably more centralized patterns of power—economically, politically, and socially, nationally and internationally. In a word, advanced industrial capitalism cannot function well except as full-fledged monopoly capitalism.

In such a society, the central aim and need of those who rule remains the enhancement of profits and of power; for that to be achieved, however, ever more intricate *management* of all elements of social existence is required: managed workers, managed consumers, managed voters, managed governments, managed culture. The *needs* for all that existed well before the

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Second World War; they were not fulfilled until the destruction and chaos of the war left one nation standing alone with the absolute and relative power to organize the capitalist world along the required lines.*

The Second World War was the critical process making possible what had long been required: in greatly weakening all the major nations, it greatly enlarged the already leading relative power of the United States in the world—economically, politically, and militarily; in lifting the United States out of the depression of 1930s, it also pushed the economy on to a new level of technological competence; in requiring the close cooperation of the state and big business for war production, it enhanced the power and the public's acceptance of both; in bringing about sustained and rising real per capita incomes during and especially immediately after the war years, and in joining this with military triumph, the war stimulated patriotism, linked militarism with economic well-being, and renewed popular confidence in the American system. Last but not least, the extraordinary social and geographic mobility of the war years, in breaking down much of what was left of traditional social patterns, made it easier for the social needs of monopoly capitalism to take hold.

These new patterns were characterized by massiveness in all aspects of economic affairs, in the development of the megalopolis, in the multiplying activities and relations of the United States with the rest of the world, in the functions and the size of public and private organizations, in the realm of communications and culture. That all this could have come about except under a regime of increasingly centralized economic and political power is utterly implausible. Those who see this as too ex-

* The challenging developments of the century after 1850, and the inability of the major powers to tame them, are dealt with conventionally and comprehensively in William Ashworth, *A Short History of the International Economy Since 1850* (London: Longmans, 1964), and W. Arthur Lewis, *Economic Survey, 1919-1939* (London: Allen and Unwin, 1949). In his *Business as a System of Power* (New York: Columbia University Press, 1942), Robert A. Brady sought to show the common tendencies of the major capitalist powers to move toward the political right and political centralization before the Second World War.

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treme a statement, or as plain wrong, might seek to envisage the economic process since the war as having come about in the United States (and in the global system) with the institutions and attitudes of laissez-faire capitalism; or, turning that around, seek to explain in some plausible and coherent fashion what caused the economic chaos and bloodshed of this century up to and including the Second World War.*

Concentrated and centralized power in its various forms and extensions was essential if the capitalist state were to be induced and able to take on its many and diverse functions; if American business and the United States were to be able to take a strong enough hand in the rescue, revival, and prosperity of the major capitalist powers of Europe and Japan; if the First World were to be able to hold on to and make use of the Third World; if the advertising, public relations, propaganda, education—call it what one may—of modern communications were to create the markets for modern production and the minds for modern social existence connoted by the terms consumerism, military-industrial complex, and neocolonialism.

In what ways, however, did any or all of this become dysfunctional and produce, among other things, stagflation?

IV

The elements of an acceptable answer may be suggested when we now point to other widely recognized developments of the same era. These, though presumably unintended by those with power, were inexorably associated with the changes that made for monopoly capitalism's health and strength; taken together, they produce the growing dysfunctionality of the system and hasten its decay. Although they are now taken up seriatim, each should be seen as interacting closely with the others:

(1) The vast and unavoidable growth of private and public bureaucracies—and of the costs, the wastes, and the ineffi-

* Lest there be misunderstanding of my position, I interject here that in my own view the years after as well as before the Second World War have been deeply and dangerously destructive for the people of the world, and the rest of nature, while also being essential for the health of capitalism. Such is the stuff which feeds capitalism's "health."

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ciencies associated with their existence, functioning, and continuing growth—have come to compete with the positive effects of the incomes generated in and by them, as, with the passage of time and changing circumstances, the essential functions of bureaucracy serve less for the creation of new bases of strength and more for the holding on to what exists.

(2) The normal practices within and between businesses, and between them and politicians and governments, conventionally classified as "corruption," have, with the exfoliation of giant corporate and governmental entities and of their functions, deepened and spread to new and spectacular levels, producing both financial and political difficulties for businesses and governments.

(3) The creation by North American, European, and Japanese capital of capacities for producing durable consumer and capital goods was of course a major stimulus in the long expansion; more recently, these facilities have become duplicative, resulting in intense competition for critical raw materials and for markets, with consequent whipsaw effects—the former yielding upward pressures on costs, the latter downward pressures on prices.

(4) The stupefying increases in the levels of debt and the spread of dubious financial practices from the 1960s on—for individuals, businesses, and governments, nationally and internationally—were essential to finance and to sustain the unprecedented expansion. It is now clear, however, that this process has brought about precarious debt/revenue ratios for all concerned, ratios whose threat to stability can be lessened, if at all, only through even more economic expansion—in turn requiring a degree of further indebtedness which, at least beyond a certain point, is realistically implausible.

(5) The replacement of traditional imperialism by neocolonialism (alias "economic development") was vital in providing Third World economic stimuli and support to the expansion of the major powers. The inherently inflationary military expenditures facilitated and required by that effort, and by the concomitant Cold War with the Soviet Union and China, also did much to sustain economic expansion. Because these years had relatively low unemployment, it was easier for those

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previously unorganized to organize and, along with already organized labor, to make and to achieve wage and non-wage demands intensifying inflationary pressures and tax needs while simultaneously straining profits.

(6) And then, of course, the war in Indochina was lost, which must be seen as one of several factors contributing to the subsequent further shrinkage of the neocolonial area and of the power of the major capitalist nations vis-à-vis the Third World. To which it may be added that the enormous amount of military expenditures *after* the Second World War—in the United States alone, after 1946, well over $1.5 trillion—although it came to mean "more bang for a buck" as military technology became ever more complex and capital-using, came also to mean "fewer jobs for the buck." *If* government expenditures were made on construction or education instead of on arms, it is reliably calculated that 30 to 50 percent more jobs would be created per federal government dollar of expenditure.

(7) The swift alteration of rural/urban and occupational patterns and, within the cities, of the prewar urban political economies, was an integral and profitable ingredient of the accumulation process. Investment and incomes boomed with the expansion of industrial and residential suburbs and all that attends them; but recently attention has had to focus on the loss of city jobs and tax bases, joined to rising expenditures. Virtually all major cities now face a seemingly intractable set of economic, political, and social problems, much intensified by the continuing demands of organized groups—demands which, whether granted or refused, worsen the urban condition. Much of the fiscal crisis of the cities can be attributed to the astronomical level of federal expenditures on the military—rising, as of this writing, by about 15 percent for the oncoming fiscal year—as cities face ever more hopeless revenue expenditure/taxpayer relationships.

(8) Consumerism, a major contributor to the long expansion and to the political stability associated with it, necessarily employed the mass media and its universal audience for purposes of persuasion. The entire population, not just those of middle and higher incomes, was led to accept, to want, and in an important sense to need, a level and composition of

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consumer expenditures that is quite simply beyond the present or potential income capacities of a good half of the population.*

Consumerism, which means, creates, and depends upon rising expectations throughout the population, has thus raised the popular definition of what is economically necessary to keep the social peace, while at the same time lowering the economy's ability to satisfy that definition for a third to a half of the population. This is a unique development. It comes now not because of some new inequality in the distribution of income and wealth (even though the degrees of inequality have probably increased in recent years): severe inequality is a constant in the history of capitalism, essential if capitalism is to exist and capital accumulation to occur. What is novel today is the social definition of an adequate level and composition of consumption which, as a necessary accompaniment of recent accumulation, has produced in the same process a new and higher level of socially necessary waste: in monopoly capitalism's advertising and sales promotion, in its vast bureaucracies, and among other areas and most draining of all, in its military expenditures—not waste of human potentials, but large-scale waste of scarce raw materials and advanced technology.

V

The foregoing brief survey of the negative and crisscrossing tendencies of the recent period suggests substantial and persisting difficulties for economic stability and growth on the one hand, and political and social stability on the other. They arise from the long-term existence and practices of concentrated and centralized economic and political power, in the context of capitalist needs and impulses. The power that enabled capitalist society to regain health and strength after the Second World

* It seems appropriate to use the U.S. Department of Labor's "moderate budget for an urban family of four" to represent the average standard. In April 1976, to meet that budget required $15,500. (The poverty-level income was $5,500.) But the median income for an urban family of four was slightly over $13,000. Connected with the point being made in the text is that the *real* take-home pay of the average wage earner in the United States today has returned to the 1965 level, as a result of the combined effects of inflation, slowed expansion, and rising taxes.

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War now works to eat away at its prospects for survival. This is so because of the ways that both business and the state use their powers in monopoly capitalist society, as a brief summary statement will now suggest.

The costs of business have risen as a result of rising prices for raw materials and labor and the inefficiencies of modern corporate organization. Monopoly power enables these costs to be passed on to consumers and small businesses as higher prices, with only token interference from the state—as demonstrated in the past two years of faltering demand joined to rising prices in, say, auto and steel. Increased interest rates are also passed on by the giant corporations, and because the giants dominate the production and sales of the entire economy, a restrictive monetary policy may do nearly as much to promote more inflation and increased hardship for small businesses as an easy money policy. A perverse question not yet pondered by conventional economists: Which is more inflationary, a tight- or an easy-money policy?

But inflation never means merely rising prices; it also means upward income redistribution, favoring the sellers of commodities. One notable consequence of the recent inflation was thus increased demand for "luxury goods," combined with softened demand and excess capacity for the general run of manufactures. In the worst months of the serious slump in auto sales, for example, it was remarked that Cadillac plants produced on overtime schedules while Chevrolet plants laid off tens of thousands of workers.

In this latter way, among others, prolonged inflation under monopoly capitalism tends to exacerbate the processes producing stagnation. Within the leading capitalist powers, and between them and the lesser nations in the global economy, buoyant levels of effective demand are maintained at the top levels of income while desperation mounts at the bottom end. In the present, as in the past, the latter inexorably creeps upward, wearing down the levels of demand required to allow economy-wide buoyancy. It is this that helps to explain the persistence of widespread unutilized capacity in industry since at least 1973, and that makes dubious any revival of real private investment—as always, the key to capitalist economic expansion.

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Nor can the superstate be expected to find a satisfactory way out of combined inflation and stagnation. Quite apart from the fact that government policies have themselves contributed directly or indirectly to both processes, and that the state is unlikely to move in directions opposed to those of the supercorporations, capitalist states now face deep contradictions in their possible policies. The difficulties of mounting an effective anti-inflation policy in the face of monopoly power have just been noted; anti-inflationary steps are nonetheless taken, with the effect, however, of lowering effective demand and allowing unemployment to persist or worsen. On the other hand, state policies that might stimulate production and sales and employment are seen as likely to send the rate of inflation into new and dangerous levels.

In the global economy, state policies to defend and support each national economy would further weaken an already contracting global economy—and each national economy critically depends upon healthy international trade levels and cooperative political ties. It is worth noting that since 1974 the Europeans and the Japanese have hoped that U.S. demand would revive their economies, while the U.S. has returned the compliment. During the 1960s, the volume of trade between the major powers rose annually by about 20 percent; since 1973, the rate has dropped and was negative in 1975. The investment boom of the 1960s is unlikely to be repeated; and in its absence, the expanding volume of world trade counted upon by all is unlikely to appear. The present "recovery" of the U.S. economy, although it has raised imports, leaves Europe and Japan with unemployment, excess capacity, and stagnant demand for U.S. exports.

Under the watchful eyes of the monopoly capitalist powers, it is quite unlikely that either inflation or contraction will move to spectacular levels separately or in combination for the foreseeable future; in the face of the inflating and depressing tendencies now generated under monopoly capitalism, however, it is even less likely that either rates of inflation or of unemployment will be reduced to levels once considered acceptable in capitalist circles. Already it is necessary to remind economists and politicians that 6 percent for either price inflation or unemploy-

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ment, let alone both together, would have been seen as substantially ominous as recently as 1970: now 6 percent is seen as a target to be coveted.

As inflation, unemployment, and the rumble of crises here and there have persisted, standards have begun to alter; economic standards of acceptable performance alter all the more easily in the broader social setting where *all* standards have been crumbling. The decay of monopoly capitalism takes place and is enhanced within a larger process of social decadence, which in turn owes its present dimensions to the social effects of "healthy" monopoly capitalism. It is time to conclude this essay with what can only be a fleeting look at that larger social process.

VI

It is of the essence of monopoly capitalism that it is a social, not merely an economic, system. For its economy to function well, it is necessary for all social relationships to be cut tightly to fit. By comparison, the capitalism of Marx's time and place—mid-nineteenth century Britain—set simple and narrow requirements: a disciplined labor force, reasonable access to raw materials and foodstuffs, expanding markets, and a state ready to assist trade and the flag to move toward the nether regions in suitable order (against very little opposition). The mere mention of processes such as consumerism and neocolonialism suggests the greater intricacies and integration of the contemporary world; the technologies of our world have rendered possible what has become necessary (while also partly creating the necessities).

As mentioned much earlier, the institutional developments of monopoly capitalism, separately and even more in combination, could not have found support in the traditional social philosophy of nineteenth-century capitalism. That social philosophy had to be displaced. Whatever the defects and the crudities of what may be called bourgeois social philosophy, it was at least the work of philosophers, and political, social, and economic theorists. By what social philosophy, devised by which Madison Avenue philosophers, do the rulers and the ruled of monopoly capitalist society live today? It is simple, and can be summed

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up in three words: "More" and "Why Not?" It is the social philosophy of a decadent society.

Is there some better adjective than decadent for characterizing a society so much caught up in nihilism, despair, violence, greed, corruption, lust, frenzy, and (perhaps needlessly prolonging the list and even saying the same thing in one word) infantilism? And are there those who see any of these tendencies in decline rather than on the rise?

All that may be so, perhaps most will say. But what has that to do with our economic system? The answer is that our economic system cannot function well, perhaps not at all, unless the attention and energies of its population (as asocial individuals) are focused almost exclusively on quantitative matters. Consumerism did not just make people want more of more things; it also narrowed the already narrow social gaze of the population, on the one hand, and, on the other, gave much of the population a material interest in the depredations of monopoly capitalism—not least in its imperialist, racist, and militaristic activities. It is of course true that capitalism, competitive or monopolistic, did not invent geographic expansion, or violence, or racism; it is also true that the use and the existence of these age-old phenomena nourished the capitalist process, and that each of them has been nourished in turn. Capitalism, and more so its offspring monopoly capitalism, profits from bringing out the worst in us.

It is not just the consumer side that is responsible; of course not. As Harry Braverman has shown so magnificently in his *Labor and Monopoly Capital,* among other vital requirements of modern industrial capitalism is the need to reduce work to the level where the satisfaction from it is leached out, where the job is totally alienating. Alienated workers, whatever the color of their collar or their skin, make better consumers, and better spectators—of politics as well as of sports. Life becomes a spectacle, something to be observed and consumed, not something to participate in, to change, to control. As the meaning of life is drained away, the meaning of any particular obscenity within life is diminished: the obscenity of luxurious and idiot consumption and mountainous arms expenditures in a world where millions starve while nature dies—and where "life-

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boat" and "triage" strategies are politely discussed to provide continuing rationalizations for the ultimate and repeated obscenity of genocide.

But our subject is stagflation. What has social decadence to do with stagflation? I believe it can be argued plausibly, though not shown mathematically, that where power is concentrated and "more" is the standard, there is no way of avoiding inflation, especially when the state takes its main signals from those who most benefit from it. On the other hand, the process of stagnation derives principally from the unavoidable development of excess productive capacity, occurring, of course, in the permanent context of underconsumption; or, in other words, where capital accumulation takes place in an anarchic setting of capitalist social relations.

That the social process is increasingly decadent has not, in my view, caused economic contraction; but the demoralization and alienation of our day may well have seriously lowered the always low level of popular political acumen and morale in this society. It is conceptually possible for what one might call a "liberalized monopoly capitalism" to reinvigorate the economy—through, for example, what James O'Connor terms a "social-industrial complex." But not in this society, not in a society where the politics of greed have been carried to levels that make the epoch of Ulysses S. Grant or of Warren G. Harding resemble by comparison the High Table at Oxford.

For the people who live under monopoly capitalism, therefore, the future looks bleak indeed, bleaker still when we contemplate what those who have power could do to maintain their power as the ground shifts under their feet; there are, after all, depths below depths, as the social experiments of the Nazis remind us. Such prospects add considerably more weight to arguments now encrusted with age: at its best, capitalism has meant tragedy for most of the people of the world throughout most of its history. The time is long overdue for every effort to be made to replace it by a social system democratic from top to bottom, in its economy, its politics, in the entirety of its social relations. There is no better name for such a system than socialism.

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POLISH WORKERS ARE ON A GOOD COURSE

The following communication was received from a comrade in Warsaw who must remain anonymous for obvious reasons.—THE EDITORS

On Friday, June 25, 1976, a new wave of workers' strikes began in Poland. As the first information indicated, the strikers are in the center of Warsaw's industrial region—in the big Ursus tractor factory and in the Radom "Walter" factory (precision machinery). Altogether, more than 50,000 workers were involved. The direct cause: the increases in food prices (more than 50 percent) which had been blocked during the last five years as a consequence of the bloody strikes in Gdansk, Gdynia, Szczecin, and Elblag in December 1970. The government's reaction: closing off the roads to Ursus without direct intervention, direct police intervention in Radom, a declaration by Prime Minister Jaroszewicz on TV that the government's decision would be "revised," and a description of the striking workers as "adventurists."

It means in practice that in a totally spontaneous way the working-class movement is born in Poland. At the time, it might have been thought that December 1970 was an "incident," but now we can say without doubt that it was *not* an "incident." I want to stress here only one point concerning the development of Polish working-class consciousness.

As you know, during the last 20 years (1956-1976) there were three periods of great waves of strikes in Poland: June 1956, December 1970, February 1971—and now June 1976. The strikes in 1956 were intimately connected with the so-called

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de-Stalinization movement, and as far as the political consciousness of the workers was concerned, they were totally dependent on the party. "Populist" leader Gomulka was able to pacify the workers' movement for more than 14 years. The new peasant-in-origin working class, which was born during industrialization (1950-1955), was not able to defend its (economic) victory during the years 1956-1957. The practical consequences were stagnation of real wages during the 1960s, liquidation of the liberal party opposition, the national chauvinistic campaign of 1968-1969, etc. But what is important is that during the 1960s this new working class was maturing and, in addition, the social composition of the class was changing. The new workers are now mostly from cities (the second generation) and totally dependent on their wages as a source of income (the workers of peasant origin had strong contacts with the country, also in the form of food transfers and living standards). These new workers are much more sensitive as far as stability of incomes is concerned—and are much more critical in their outlook. And *this* is a new, fantastically important factor on the Polish social and political scene. The *new mature working class* is living now in a permanent battle for economic (in the first place) interests. And this new working class is conscious of its power; this new working class knows what victory means, what workers' solidarity means! The power and the political existence of the ruling class are not unconditional, as during Gomulka's time. Gierek, who was given the post of first secretary of the party in December 1970, has received only a conditional mandate, and this mandate is valid only so long as the workers' interests are secure. But it is an *internal logic* of the Polish ruling class that it knows only one way of solving economic troubles—through a "squeeze" on the wages of the workers and expansion of the repressive apparatus. (It is interesting to note at the present juncture that it was during Gierek's term of office that the top elite received total economic security in the form of law. "Bonuses" are now *officially* accepted—also for the second generation of "beneficiaries"!) We can say that this is an "iron law" of Polish "socialism." *Gierek, the so-called defender of the workers, has found only anti-worker solutions for the country's economic*

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troubles. (I'm not speaking about his "ideological" performance.) The results are monstrous: total dependence on the Soviet Union (see the new constitution of 1976), total de-ideologization and vulgar economism, the propagation in theory and practice of nationalism, the strong campaign in favor of social stratification, etc. Gomulka's end came after 16 years. Gierek's political end, his compromising, and his break with the working class come after five years. Really, the Polish working class is on a good course. The task of all left-oriented forces is to give strong support and strong solidarity to this movement of the Polish working class. Against Brezhnev's dictated "internationalism" it is necessary to oppose true proletarian internationalism.

from the **New York Review of Books**
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THE FETISHISM OF INDUSTRIALIZATION: A Critique of Ivan Illich

BY VICENTE NAVARRO

The Western system of power is in crisis. Consequently, many interpretations of the nature of Western societies are appearing. And of these, "industrialism" is the most prevalent ideology used to explain the nature and form of these societies. Grounded largely in technological determinism and owing much to Max Weber, it suggests that the industrial nature of technology defines social organizations in their entirety. Among the primary characteristics of this ideology is its insistence that the production requirements of the technological process, and hence also of industrial organizations, are the most important determinants of the nature and form of Western (i.e., industrialized) societies. In a fatalistic and deterministic way, the former—the technological process—is viewed as leading inevitably to the latter—the industrialization of society. Moreover, the control of these societies is supposed to have passed from the owners of capital (the capitalists) to the managers of capital, and from there to the technocrats—those who have the skills and knowl-

Vicente Navarro teaches in the Department of Health Care Organization of the Johns Hopkins School of Hygiene and Public Health.

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edge needed to operate the major social edifices of industrialism, the bureaucracies. The new elite, then, are the bureaucrats, who have supplanted the capitalists. And within this evolution, a new social order based on bureaucracy has transcended the capitalist order. Capitalist societies have thus become industrial, post-industrial, and mixed-economy societies. And words such as capitalism, imperialism, social class, and other related ones rarely emerge from these theoreticians' typewriter keys, except perhaps in an introductory note of dismissal. Viewed in this way, the social problems of our societies become not the problems of capitalism (an altogether *passé* category), but primarily the problems of industrialization. And while some, like Bell[1]* and Rostow,[2] rejoice over the fruits of industrialization, others like Aron[3] seem to have second thoughts, and still others such as Illich[4] despair and try to rebel. Unless we reverse industrialization, writes Illich, ours will be a "compulsory survival in a planned and engineered Hell."[5] Indeed, industrialization is assumed to invade all sectors of our lives, including transport, education, defense, and so on, and is destroying our individual autonomy and capacity to respond. And medicine, according to Illich, is no exception: "Like time-consuming acceleration, stupefying education, self-destructive military defense, disorienting information or unsettling housing projects, pathogenic medicine is the result of industrial overproduction that paralyzes autonomous action."[6]

The industrialization of medicine leads to the creation of a corps of engineers—the medical profession—comparable to the technocrats of the main social formation (the bureaucracy) of industrialized societies. Thus the industrialization of medicine means its professionalization and bureaucratization. Moreover, and reflecting the assumed universality claimed by the ideology of industrialism, Illich believes that all societies, capitalist and socialist, are ominously converging toward the same model, following a similar evolutionary process. Indeed, "the frustrations [due to industrialization] which have become manifest from private-enterprise systems and from socialized care have come to resemble each other frighteningly."[7]

* Numbered notes will be found at the end of the article.

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In this interpretation of the nature of our societies, the class struggle has been replaced by the conflict between those at the top—the managers of the bureaucracies, indispensable to the running of an industrialized society—and those at the bottom—the consumers of the products (goods and services) administered by those bureaucracies. As applied specifically to medicine, this conflict is the one between the medical bureaucracy, primarily the medical profession and the medical care system, and the consumers, the patients. This antagonism results in "iatrogenesis" (damage done by the profession) and it is

> *clinical,* when pain, sickness, and death result from the provision of medical care; it is *social,* when health policies reinforce an industrial organization which generates dependency and ill health; and it is *structural,* when medically sponsored behavior and delusions restrict the vital autonomy of people by undermining their competence in growing up, caring for each other and aging.[8]

In presenting the first type of iatrogenesis—the clinical one—Illich adds his voice to a growing chorus that is rightly warning us about the damage the medical profession has inflicted (and still is inflicting) out of sheer incompetence, much arrogance, and a narrow understanding of health which results from its engineering approach to medicine, i.e., viewing the individual as a machine, an aggregate of different pieces that must be put right through therapeutic intervention. In this respect, Illich's voice is a welcome one. It is in his analyses of the other two iatrogeneses, however, that my disagreements with him begin.

Social Iatrogenesis. Addiction to Medical Care Institutions: Cause or Symptom?

Illich considers social iatrogenesis, i.e., the addictive behavior of the population to medical care, to be the result of manipulation by the medical bureaucracy—the medical-care system. It is a manipulation that aims at creating dependency and consumption. Here Illich postulates that the consumer behavior of our citizenry is determined primarily by its manipulation by the bureaucracies created as a result of industrialization. Let's now focus on this postulate and discuss the consumer behavior of our citizenry, not only in the health sector of our

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economy but in all others as well. Disagreeing with Illich, I find that manipulation of addiction and consumption by bureaucracies (including the medical-care bureaucracy) to be not the cause, as he postulates, but rather the symptom of the basic needs of the economic and social institutions of what he calls industrialized societies, but what I would call industrialized capitalist societies. Actually, I consider those bureaucracies—be they trade, services, or whatever—the mere socialization instruments of those needs, i.e., they reinforce and capitalize on what is *already* there—*the need for consumption,* consumption that reflects a dependency of the individual on something that can be bought, be it a pill, a drug, a prescription, a car, or the "prepackaged moon." Indeed, the overall quantum of citizens' dependency is far more than the mere aggregate of dependencies of those citizens on the bureaucracies of our societies. Actually, those dependencies are symptoms of a far more profound dependency that has been created in our citizenry not by industrialization but by the capitalist modes of production and consumption—a mode of production that results in the majority of men and women in our societies having no control over the process and the product of their work, and a mode of consumption in which the citizenry is directed and manipulated in their consumption of the products of that work. As Marcuse has indicated, the system causes people to aspire to more, when this more must always remain inaccessible. This dependency on consumption, this commodity fetishism, is intrinsically necessary for the survival of a system that is based on commodity production. It is then necessary for the owners and controllers of the system's means of production to stimulate dissatisfaction and dependency in the sphere of consumption. Thus, these owners and controllers must provoke continual artificial dissatisfactions and dependencies in human beings that direct them toward further consumption because otherwise the system would collapse. Indeed, Illich's bureaucracies, including the medical bureaucracies, are not the generators but the administrators of those dependencies, consumption patterns, and dissatisfactions. Similarly, the bureaucracies are not the owners or controllers, but the administrators of the system.

In summary, in this alternate explanation addiction to and

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dependency on consumption—either of goods or services—are not due primarily to the manipulative behavior of bureaucracies, but result from the basic needs of capitalism, which requires for its survival (1) the creation of wants, however artificial or absurd they may be, (2) the existence of a passive and "massified" population of consumers, and (3) the production and reproduction of a consumer ideology whereby citizens are judged not by what they *do* (their work) but by what they *have* (their consumption). Within that system, the citizen/consumers are made to believe that fulfillment depends in large degree on consumption, be it of drugs, pills, prescriptions, cosmetics, or whatever else may be required for fitness, well-being, and the pursuit of happiness. Within this scheme of things, to consider that the need for consumption and addictive behavior are the result of bureaucratic manipulation is (1) to underestimate the needs of capitalism, and (2) to overestimate by far the role of the bureaucracies. Theirs is, again, the task of administering and reinforcing a dependency on consumption that is *already there.*

I am not denying, of course, the powerful effect that Illich's bureaucracies such as the medical and related bureaucracies (i.e., drug advertising) have on administering and reinforcing (but not creating) a harmful demand for their goods and services. But I don't believe that the disappearance of those bureaucracies (were that at all possible) from capitalist societies would mean the disappearance of that addictive demand. Indeed, Illich's focus on the world of consumption and his theories of manipulation ignore the main determinants of people's behavior, which lie not in the sphere of consumption, but in that of production. To understand the *sphere of consumption* we have to understand the *world of production,* or who does what, who controls the work, and how that control takes place. And an analysis of the world of production shows (1) that the great majority of producers, the workers, have practically no control whatsoever over the nature and product of their work—what they do in the work place and how they do it is outside their control; and (2) that work is, for the majority of producers, not a means of self-expression in which creativity is the goal, but primarily a means to get income to be able to buy the services and goods considered necessary for the satisfaction of their

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needs. Thus the most important components in life, creativity and worthiness, are not realized in daily work. In other words, the worker must spend time at work to obtain the freedom and capacity for development *outside* the sphere of production and work. Ironically, this hope for fulfillment during leisure time turns out to be an illusion, an illusion that has to be satisfied with the always unsatisfying and never-ending escalation of consumption. In summary, denied self-realization at the place of work, the world of production, the worker has to seek that realization in the sphere of consumption. The alienation of the producer from his work—his dissatisfaction—leads to the fetishism of consumption. It is the workers' lack of control over their work and the product of their work—the expropriation of their labor—that is the genesis of their exploitation and that, in the final analysis, determines the expropriation of their health as well.

Examples of this are many, a recent one being a fifteen-year study on longevity carried out by the U.S. Department of Health, Education and Welfare in which it was concluded that the single most important predictor of longevity in our society is not diet, exercise, medical care, or genetic inheritance but *work satisfaction*.[9] If instead of longevity, we focus on morbidity, we find that according to the report *Work in America*,[10] also issued by the federal government, dissatisfaction, malaise, and feelings of withdrawal, helplessness, and alienation have become majority sentiments among substantial sectors of the working class (the majority of the U.S. population), and to such a degree as to represent an industrial problem of mammoth proportions for the bourgeoisie. And much of that sense of powerlessness is eventually expressed in the form of psychosomatic ailments—the most frequent medical condition to appear in the physician's offices in industrial capitalist societies.

Similarly, workers' lack of control over their own labor and lives accounts for the dramatic dimension of occupational diseases—diseases which are imposed on the working class at the work place and have recently been defined as "the new epidemics" of Western capitalist countries. And medicine is assigned the task of administering and curing these and many other ailments that have been created by the dehumanization

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of work and social relations in capitalist societies—societies in which capital controls the process of production and uses that control to optimize capital accumulation, not worker satisfaction or any other human needs.

Structural Iatrogenesis. Industrialism and Capitalism

By dismissing from the very beginning the categories of capitalism, class structure, and class relations, Illich seriously limits his search for the causes of his structural iatrogenesis. Indeed, while he attributes clinical iatrogenesis to the physicians, and social iatrogenesis to the medical-care system, he finds structural iatrogenesis to be due to the culture of industrialization. Structural iatrogenesis, Illich writes, "is spawned by a cancerous delusion about life, and manifests itself when this delusion has pervaded a culture."[11] And the creation of a culture that pervades the "medical industry and civilization" is a symptom of the overall and pervasive process of industrialization. His solution for that iatrogenesis includes (1) reversing industrialization and its growth rate, (2) breaking down industrial bureaucracies, starting with the medical one, and (3) returning to self-reliance and enlightened self-interest. And in this struggle against industrialization and bureaucratization, it is of paramount importance to start with medicine:

> Since medicine is a sacred cow, its slaughter would have a "vibration effect"; people who can face suffering and death without need for magicians and mystagogues are free to rebel against other forms of expropriation now practiced by teachers, engineers, lawyers, priests and party officials.[12]

But, by focusing on the medical bureaucracy as the "enemy," Illich misses the point, because those bureaucracies are just the servants of a higher category of power that I would define as the dominant class. Indeed, an empirical analysis of the health industry shows that, contrary to what Illich believes, the industry is administered but not controlled by the medical profession. Analysis of power in the health sector in most developed Western societies shows that it belongs to a class and is not a manifestation of professional control. Indeed, those who have the first and final voice in the most important "corridors of power" in the health sector are the same corporate groups (com-

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posed mainly of the upper, corporate, or capitalist class) that control and/or have dominant influence in the organs—Illich's bureaucracies—of production, consumption, and legitimation in our societies. And it is these groups, not the medical profession, that determine the definition of health.

Consider, as a recent example, the change in therapeutic practice in obstetrics with regard to the provision of abortion on demand. This redefinition of medical practice can be attributed to the need for the organs of legitimation, including the juridical ones, to respond to (1) an increasingly alienated and radicalized women's liberation movement and (2) the dominant population policies of the time. And it was the powerful in society, not the medical profession, who made the decision to redefine medical practice in this case. As Marx said: "The ideas of the ruling class are in every epoch the ruling ideas: i.e., the class which is the ruling material force of society is at the same time its ruling intellectual force. The class which has the means of material production at its disposal has control at the same time over the means of mental production."[18] And health values and ideas are no exception to this. According to this explanation, then, the medical profession is a repository and guardian of the definition of those values, but not their ultimate definer.

The Limitations and Political Consequences of Illich's Solutions

In summary, to view iatrogenesis as a result of industrialization begs the questions of why that industrialization takes the form it does, and why it is an oppressive rather than a liberating force. A clear example of the limitation of Illich's interpretation of iatrogenesis appears in his analysis of malnutrition, the main public health problem today. Here, as elsewhere, he assumes that industrialization is the major cause of the problem:

> Beyond a certain level of capital investment in the growing and processing of food, malnutrition must become pervasive . . . [and] what is happening in the sub-Saharan Sahel is only a dress rehearsal for the encroaching world famine. This is but the application of a general law. When more than a certain proportion of value is produced by the industrial mode, subsistence activities

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are paralyzed, equity declines and the total satisfaction in that particular area diminishes. In other words, beyond a certain level of industrial hubris, Nemesis *must* set in.[14]

Absent from this analysis is any consideration of the critical political factors of who controls the economies (land and capital) and the process of industrialization. By focusing on the process of industrialization per se, and avoiding the economic and political conditions that actually determine underdevelopment and the type of industrialization that is used (the inter- and intra-country conditions of economic exploitation, the control of international trade, etc.) Illich's analysis seems aseptic and almost neutral. An alternative explanation to that of Illich's for underdevelopment and malnutrition is that certain types of industrialization exported from capitalist countries (e.g., the Green Revolution) have reinforced and capitalized upon, but not generated, the already existing maldistribution of economic and political power, both within and among nations, the actual causes of their underdevelopment. Actually, Cuba and China, two of the very few countries in the sphere of underdevelopment that have controlled and come close to solving their malnutrition problem, had to break with that maldistribution of power to be able to use industrialization not for the benefit of the few, but for the benefit of the many. The real problem which had to be overcome by progressive forces in those countries in solving their malnutrition problem was not the process of centralized industrialization, but the centralization of economic and political power in dominant oligarchies allied with the corporate transnational interests, which shaped the centralized industrialization to begin with. To change the latter, they had to break with the former. Actually the priest Camilo Torres in Colombia, assassinated while trying to change his country's economic and political structures, understood the causes of underdevelopment and malnutrition in Latin America far better than Ivan Illich in Mexico.

Indeed, the experiences in both China and Cuba would seem to indicate that the type of industrialization that exists in developing countries is a symptom but not a cause of their problems. In spite of these realities, endless interpretations of the political phenomena of underdevelopment are being ad-

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vanced and sold—under the label of the "population problem" or more recently of the "problem of industrialization"—that obfuscate rather than clarify the actual economic and political cause of underdevelopment, the reality and consequences of which are increasingly clear for all to see.

The Limitations of Doing One's Own Thing

We are left then with Illich's second major suggestion for solving our problems: the self-reliance, self-care, independence, and autonomy of the individual citizen. But what is the meaning of this self-care? This aspect of Illich's strategy for change appears to me to be close to, if not identical with, the strategy of the segment of American youth that joined in the "Woodstock nation," a strategy that basically relies on "lifestyle" solutions. And in that strategy, "doing one's own thing," or in the words of Abbie Hoffman, "whatever the fuck we want," is not only the goal but also the means for change, i.e., freedom and liberty defined as the lack of social constraint.

I would postulate that the popularity of such a strategy in our U.S. social environment and its appeal to the organs of legitimation (primarily the media) reflect the fact that rather than weakening the basic ethical tenets of bourgeois individualism—i.e., one must be free to do whatever one wants, free to buy or sell, to accumulate wealth or to live in poverty, to work or not, to be healthy or to be sick—it actually strengthens this ideology. And far from representing a threat to the power structure, the politics of lifestyle actually complements the system, is easily co-optable by its controllers, and, most importantly, leaves the economic and political structures of society unchanged. Moreover, the lifestyle approach to politics serves to channel out of existence any conflicting tendencies that may arise against those structures.

Not surprisingly we find this approach increasingly appearing in the health sector. Self-care and changes in lifestyle are supposed to be the most important strategies for improving the health of individual citizens. This strategy of self-care, however, assumes that the basic cause of sickness or unhealth is in the individual citizens themselves, not in the system, and therefore the solution has to be primarily theirs, not structural change of

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the economic and social system and its health sector. For obvious reasons this emphasis on the behavior of the individual rather than on the economic system is welcomed and even exploited by the forces that benefit from the lack of change within the system. Interestingly, here in the health sector we find the same interpretations and strategies for change that we found in the 1960s in the analysis of poverty in America. Then, sociological studies for the most part focused their analysis not on the economic system that produced poverty, but on the poor. Thus, logically enough, most of the proposals, i.e., the programs for eradicating poverty, were directed at the poor themselves, and not at the economic system that produced poverty. Let me add that today we have even more poor people than we had before these programs started, and the effect of the programs has been very limited indeed.

Similarly in the health sector a plethora of behavioral and sociological studies have emerged that are devoted to analyzing the behavior of the individual, but few studies exist concerning the economic and political system which determines that behavior to start with. And most of the proposals for change are focused on altering the behavior of the individual and not the behavior of the system—hence, the appearance of self-care, self-reliance, and health education as possible and plausible strategies for improving the health of individuals. But a far better strategy than self-care and changes in lifestyle would be to change the economic and social structure that, according to my postulate, conditioned and determined the unhealthy individual behavior to start with. Let me give a specific example: the problem of the unhealthy diet of our citizens. The strategy put forth by the lifestyle politicians is that of changing the food consumption patterns (diet) of individual persons, thus avoiding the crucial political question of why individuals consume what they do, and ignoring the enormous power of the economic needs of specific corporate interests in (1) determining consumption patterns and (2) stimulating appropriate types of production. Indeed, Paul Cornely has shown that a primary responsibility for the very poor diet of our U.S. citizens lies with the corporate practices of the food conglomerates.[15] And as several studies have shown, these food conglomerates are increasingly linked

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with the main sources of financial capital in this country, the most important segment of the corporate class and the one that has a dominant influence in most of the sectors of our economic system—a system, incidentally, that determines a set of priorities in which $2.5 billion are annually being spent on pet food,[16] while "26 million Americans cannot afford to purchase an adequate diet; and over 11.2 million of them receive no help whatever from any federal food program."[17]

In the light of this iatrogenic economic and political environment, and the overwhelming power and influence of certain economic groups, to speak of changes in lifestyle as the proper strategy seems to me to be not only very limited and unrealistic, but naive and utterly escapist. Indeed, I would postulate that, unless the patterns of ownership and control of the means of production and consumption of the food and all other industries and sectors change in our society from control by the few to control by the many, we will continue to have as poor a diet as we have today and have had in the past. And thus, contrary to what Illich and others postulate, I believe that the greatest potential for improving the health of our citizens is not primarily through changes in the behavior of individuals, but mainly through changes in the patterns of control, structures, and behavior of our economic and political system. The latter could lead to the former. But the reverse is not possible.

Actually, it is precisely because of the impossibility of the reverse and the lack of conflict between Illich's message and the basic tenets of our economic system that his message, the politics of lifestyle, is and increasingly will be presented by the organs of the media as the resolution to the crises of our Western system.

Indeed, Illich, radical in style but intrinsically conservative in message and substance, will be paraded as part of our solution. And at a time of increasing crises in our societies, change in lifestyles, as opposed to political change, will be paraded as the solution. Indeed, I predict that powerful, value-generating organs will be extremely sympathetic to Illich's emphasis on cultural as opposed to political change, stirring "new hopes in the hollow breast of at least one jaded revolutionary."[18] Cultural revolution will indeed be proposed to further postpone political

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change. And meanwhile, I predict that to the same degree that the cultural politics of the Woodstock nation proved easily co-optable and irrelevant to the solutions of our problems in the 1960s, this new cultural revolution will be similarly co-optable and equally irrelevant to the problems of our society in the 1970s. History will tell.

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By Joan Robinson

China's Socialist Revolution by John and Elsie Collier. Monthly Review Press, 1975, $8.95; paperback, $4.95.

Chairman Mao's vision of the development of socialism involves the gradual breakdown of "the three great differences"—between urban and rural life, between agricultural and industrial production, and between intellectual and manual work. During the bad years that followed the Great Leap of 1958, Mao's influence was weakened and there was a relapse toward the line afterwards identified with Liu Shao-chi—in agriculture an appeal to individual economic incentives, in industry a hierarchical style of management, and in education concentration on the rapid production of an elite. The Cultural Revolution may be regarded as a gigantic heave to get China back into the line of Mao's conceptions. During the course of the upheaval there was much dissension and factional dispute. Foreign critics of socialist China were delighted to depict the country falling into disruption and chaos. Nowadays it is possible to get a hearing for less prejudiced views.

John Collier, afterwards joined by his wife Elsie, was employed as an English teacher at the University of Canton from April 1966 (that is, just before the first eruption of the Cultural Revolution in Peking in June) until the middle of 1968. Besides watching developments in the university, they twice visited communes with parties of students to help in the harvest, had a spell of work in an electric motor factory, and traveled about the country to view developments elsewhere.

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is a most valuable contribution to knowledge of a crucial period of modern history.

The Cultural Revolution first broke out in the educational establishment. In the Colliers' school the relapse into the "revisionist line" had been shown in the fact that the proportion of students from worker and peasant families had dropped, and that the methods of teaching and requirements from the students were unchanged from the past. Some of the old professors reacted sarcastically when criticism began. One, who was complained of for being late for his lectures, exclaimed, "What can you expect, I've got an alarm clock that was made in China!" (p. 86) There were some professors who took the trouble to help the students from peasant families, and who were sympathetic and easygoing, but even they held to the ideals of individualistic professionalism; according to the authors, their influence was all the more reactionary because the students found them friendly. (p. 145)

The authors describe how the Red Guards came to their school and how, as soon as they began to criticize the establishment, they split into factions, disputing with each other as to which was the reddest. When the movement spread to the factories, the workers were at first hostile to the students, but they in turn fell into factions. Teaching at the university came to an end (except in some of the scientific departments), and production in industry dropped. In the summer of 1967 some fanatics seized arms from the People's Liberation Army (PLA), and factional disputes led to bloodshed.

Besides eye-witness reports of these scenes, the authors provide an account of the origins of the Wuhan incident, when the central forces of the PLA had to be called in to overcome the defiance of the local commander, and they give some account of the relations of the ultra-left to the PLA, though the conspiracy of the May 16 group remains mysterious. In August 1967 Chairman Mao declared: "There is no fundamental clash in interests within the working class." The period of the formation of great alliances began, but in the middle of 1968 dissension broke out again. Here the narrative unfortunately comes to an end, for the authors then had to return to England.

Was unleashing the Cultural Revolution a colossal gamble? Was the gamble too rash? Indeed, the fact that it led up to the Lin Piao affair makes one shudder. But as recent events show, the two-line struggle will never end.

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THE FREI ALTERNATIVE

By Carlos Rodríguez

In December 1975 the Chilean junta permitted the publication, in a limited edition, of *El mandato de la historia y las exigencias del porvenir,* by Eduardo Frei, in which he declared his love for his country and for democracy, and presented himself as an alternative to the economic failure and the international isolation of the Chilean military junta.

In Chile, where the strictest military censorship is enforced, Frei's declarations are circulating publicly. They have also been reproduced and given prominence in the world press. That they are so favored is not accidental: Frei enjoys the support of powerful business and political groups, both in Chile and abroad. For example, in 1964 Frei's electoral campaign was the recipient of generous foreign aid—as confirmed by the U.S. House Intelligence Committee—especially from the United States and the Western European countries, including Germany. This support has given Frei protection from the sinister DINA (the Chilean secret police). Let us examine how he utilizes this unusual immunity.

We will not attempt here to analyze the Frei pamphlet in detail. However, a close reading of it reveals that Frei is as hypocritical as ever. His ability and intellect, his purported love for his country and for democracy, should not blind us to his responsibility for the massacres at the El Salvador copper mine in 1966;

Carlos Rodríguez is the pen name of a Chilean who was the director of a nationalized enterprise during the Allende regime.

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in Santiago on November 23, 1967, on the occasion of the strike called by CUT, the trade-union confederation; and at Pampa Irigoin in Puerto Montt in 1968. Nor should they serve as a smokescreen for his decisive participation in the bloody coup on September 11, 1973, and his subsequent support for the dictatorship, from which he is currently trying to separate himself, now that the Pinochet regime appears to be a sinking ship.

Frei's 67 pages do not contain a single line of protest against the imprisonment, torture, and murder of tens of thousands of Chileans. His conception of democracy and freedom shows profound limitations and class prejudice: at bottom, Frei condones the repression of the labor and mass movements; he takes exception only to the flagrantly brutal way in which Pinochet and his henchmen have carried it out.

Furthermore, Frei shows himself not even to be a consistent bourgeois democrat. At the time of the *golpe* he was president of the Senate, yet he did not and does not dare to judge the assassins of Chilean democracy. In his pamphlet he limits himself to pleading servilely with the armed forces to establish a constitutional regime, led by him and by the Christian Democrats, from which the class-conscious masses would be excluded. He offers himself as the "democratic" alternative to "left and right extremes."

His attacks on the people's movement in Chile lack originality; they are the attacks of the pro-U.S. bourgeoisie, fearful of losing their privileges to a revolutionary process moving toward socialism. Once more, his blindness and his class hatred have led him to ignore all the historic achievements of the Popular Unity period.

What pusillanimous morality is Frei's! He is incapable of offering one word of homage to Salvador Allende, who gave his life out of love for his country and loyalty to democracy. But Frei, after 27 months of the bloodiest dictatorship in the history of Chile, makes sensational discoveries: "Today that process is accentuated because the traditional groups of the Chilean right, which without a doubt have maintained a democratic tradition, are not in political control; rather, that control is exercised by the most extreme groups, whose fascist character is openly revealed throughout the country." (p. 3)

As for the right, Frei defends it. In answer to its "accusation" that he surrendered the government to the legitimate constitutional president, Dr. Salvador Allende [the Chilean constitution stipulated confirmation by the Congress in the case of a presidential

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candidate's winning a simple rather than an absolute majority], he accuses the reaction of arrogance and weakness in failing to prevent the popular victory. He says: "Those who have made this accusation forget that it was Christian Democracy which early along proposed a constitutional reform that would have provided for a run-off election, similar to a provision in the French constitution, enabling the country to resolve legally an extremely critical situation." (p. 13) And later: "If that was how they were thinking, why did they not refuse to recognize the victory of a candidate supported by communism, instead of publicly accepting as the winner the candidate that had the plurality vote? Why did they evade their historical responsibility?" The "democrat" Frei thus reproaches the traditional right with not having carried out successfully the *golpe* that had been scheduled for sometime between September and November 1970.

What program does Frei offer Chile? The continuance of the "spectacular success" of his administration. He lacks all modesty and objectivity; his demagogy is measureless.

Thus, just as he shamelessly denies that the CIA financed a large part of his presidential campaign, he has the audacity to take credit for nationalizing copper. Let us put the record straight: the Christian Democratic government bought 51 percent of Anaconda's stocks for $175 million, at a time when the book value of all the copper companies owned by Anaconda in Chile (Chuquicamata, Potrerillos, and El Salvador) was only $181 million; that is, Frei paid for 51 percent of the stock a price equivalent to Anaconda's total investment. In the same way he paid $180 million for 51 percent of the El Teniente stock, a sum higher than the book value of the entire Braden Copper Company enterprise. And it should be noted that even though Chile was the senior partner (51 percent), the North American co-owners continued to manage El Teniente, continued to monopolize the sale of copper on the world market, maintained their role as technical advisers and, with 49 percent of the stock, pocketed the fabulous profits originating in the war against the Vietnamese people, which raised the price of copper to extremely high levels.

Frei's temerity cannot conceal the reality: the Popular Unity government, presided over by Salvador Allende, was the real nationalizer of copper, nitrate, iron, and coal.

In the final part of his pamphlet, Frei paints an inspired picture of democracy as he sees it. In spite of his lyrical words, it is a very limited democracy, which excludes the parties of the

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working class. According to his scheme, the left would be represented by "those who believe in the possibility of a democratic socialism, such as occurs in the social democratic movements of Western Europe." (p. 50) Frei, more subtly than Pinochet, also proposes to extirpate the "cancer" of Marxism from Chile.

The alternative offered by Frei would not resolve the profound crisis Chile is undergoing, nor would it benefit the Chilean popular masses. It would probably appeal to the multinationals; it would provide a better image; but, he would certainly be unable to govern without repressing the popular masses. Frei's alternative, if accepted by the military *golpistas,* will be born under the sign of extensive commitments to those who crushed Chilean democracy.

Only the popular, socialist alternative, arising from the struggle of vast sectors of the Chilean people—including, to be sure, the Christian Democratic rank and file—will save the country from the abyss and will build a more just society. But such an alternative can result only from a hard and heroic struggle, and not from transactions between Frei and the junta.

Tyranny beheads the bards, but by secret subterranean springs their voice returns from the bottom of the well to the surface, and even in the darkness rises to the lips of the people.

—Pablo Neruda

If in our eagerness for an easy triumph, if for wanting to abbreviate the struggle, we cut out of our program the radicalism which makes it incompatible with the program of the specifically bourgeois and conservative parties, then we will have done the work of bandits and assassins, because the blood spilled will only serve to give greater strength to the bourgeoisie.

—Ricardo Flores Magón (Mexican revolutionary)
January 19, 1910

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CORRESPONDENCE

ON OVERCOMING ALIENATION

Some comments on and criticism of "Class Power and Alienated Labor," by Bowles and Gintis in the March 1975 issue of MONTHLY REVIEW:

Alienated labor, which provides no opportunity for worker self-development or meaningful collective action with others, is primarily what they discuss. Alienation itself they do not explain. So by a process of verbal drift, the article represents the worker, particularly the industrial worker, as exemplifying alienation. By suggestion he or she is a defeated, apathetic, isolated, human being. In fact, if we put Bowles' and Gintis' conception of alienated labor as the emptying from work of content allowing self-development, together with their quotation from Eliot Jacques that "man's work . . . gives him a measure of his sanity," we should conclude that industrial workers in general are insane. So the underlying message, to contrast with the written one (that socialism is necessary) is hopelessness.

A recent movie, "Lulu the Tool, or the Working Class Goes to Heaven," depicts a factory where alienated labor meeting Bowles' and Gintis' specifications goes on: monotonous, repetitive, simplified motion; pace-setting to enforce speed-up; continuous surveillance, etc. One of the most alienated of the characters is Lulu, a worker who is the pride of management for his record-beating levels of machine operation, but an object of wrath

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and contempt to the other workers, who are trying collectively to resist the endless pressures of management to squeeze more output out of them. Introduced to two new workers, Lulu curses them for interrupting the rhythm of his work and thereby making him lose a few seconds from the work day. Lulu's alienation is demonstrated by his isolation in the factory, the contempt of his fellow workers and his rejection of comradeship, and by his strained relationships outside the factory with both the woman he is living with and his former wife, and with children. Other workers in the factory are also alienated, but the level of alienation is variable and subject to abrupt change. (Lulu himself becomes a catalyst of a dramatic transcending of alienation among the workers.) By resisting speed-up, mocking and threatening the work-control representatives from management, unifying against Lulu as a symbol of worker acquiescence to domination, they to some extent meet the criterion suggested by the authors for developing an integrated sphere of social life, controlling "their personal development by progressively tailoring their social environment to their manifest needs through their conscious wills." As the slave in one of Marx's footnotes "takes care to let both beast and implement feel that he is none of them, but is a man," so likewise do the workers in this movie, from time to time, advise the owners and bosses.

Of course, alienation in the sense of not being able to have meaningful relationships, obsession with trivia, avoiding reality in front of the TV or through the football game, establishing money as the prime good—alienation so understood is deeply implanted in many industrial workers. But are they any more caught than salespeople, psychiatrists, police, teachers? Alienation is a pervasive cultural phenomenon. Bowles and Gintis speak of the "compulsory forms of socialization—especially schooling—imposed on young people." They could as easily have said compulsory alienation. And, doubtless, prior alienation helps adjustment to the capitalist factory. However, the net effect of that sphere, through promoting worker solidarity against ownership and management, confronting the worker with the reality of capitalistic production (a scene which the outsider from college or governmental offices has difficulty gaining a real view of) may be to make the worker more aware of his alienation, potentially more able to overcome it, and more active in resisting it. The dialectical possibility is suggested that the prime sphere of alienated labor, the capitalist factory, is where the ultimate withering of alienation will occur.

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Bowles and Gintis say that "work is the basis for the formation of social classes. Classes are groups of individuals who relate to the ownership and control of the means of production in similar ways." The problem that this raises emerges at the end of the same paragraph: "Thus, social stratification and the fragmentation of the working class is itself based on the experience of individuals in production." If the viability of the working class is simply dependent on the understanding of workers and if the class is now fragmented, what are the prospects that it can find, or find again if it ever possessed, political unity, and can exercise collective will to establish a genuine socialist society? Especially considering the perfection of alienating conditions that privately owned industry is ever drawing closer to? The authors have a conception of class as subjective, based on consciousness. In Marxist materialism, classes exist by virtue of the nature of production; the reality of class arises from the contradiction between the ownership or purchase of labor power and the exercise of that power, under direction, by the worker; consciousness of class membership and interests, as of other matters, emerges, develops in history. In Marxism classes are objective and consciousness contingent. For Bowles and Gintis the helplessness and fragmentation growing out of alienation are objective, while struggles against alienation, far from being necessary, required ultimately by the nature of man, are merely possibilities. From such an outlook, it is not difficult to see why they cannot speak with any conviction of how alienation is to be overcome and a socialist society created. Their colleagues of conventional views can believe in the possibility of gradual progress, under the aegis of enlightened capitalism, toward "reorganization of production toward greater worker participation simultaneously [raising] productivity and worker satisfaction." Bowles and Gintis realize this is fantasy. But their words in this article hardly demonstrate any conviction that there is a more likely route: "The social transformation our analysis bids us advocate is that of a socialist economy." "A thoroughgoing industrial democracy must be a cornerstone of a socialist program in the contemporary capitalist world." Their recipe goes no further.

Transition to socialism in an advanced capitalist society is likely to pose some kinds of problems very different from those that countries which have made progress in that direction so far have faced, and alienation as it has taken hold will certainly be involved. Consider questions related to control, leadership, discipline (getting on and staying on the socialist road). How will collec-

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tive goals be articulated and realized? How will impulses toward individualized diversions and concentration of the power of the mobilized workers be prevented, i.e., reversions to some variant of bourgeois right? It is utopian and liberalistic to advocate socialism as the overcoming of alienation without dealing with such questions. But this is the line of "Class Power and Alienated Labor." The authors refer to an HEW study which found that when production was reorganized to increase worker participation, productivity and worker satisfaction increased. They quote Blumberg to the effect that "productivity increases accrue" from increases in workers' decision-making powers. But of course for HEW and Blumberg, the issue of overall worker control of the economy does not even exist. They are not thinking in terms of the working class taking control of the economy, but about improving ways of *integrating* workers into capitalistic institutions. Bowles and Gintis need to answer for themselves the question of whether or not the integrated spheres of social life they seek, the withering away of alienation, can be achieved in a gradualistic way. This is a variant of the issue of revisionism.

The question of overall control and of social discipline must be faced. In brief, is dictatorship of the proletariat necessary? Here is where ideology hangs heaviest upon many of us. The experience of the Soviet Union and the Eastern European state-socialist nations, as Bowles and Gintis say, doesn't make the question any easier to answer. The trial is still proceeding in the People's Republic of China, and the Chinese say it will probably continue for generations. The sanctity of individual right to freedom of choice, as defined in our ideology, has hardly been affected by the loss of faith in various other of the traditional tenets in recent years (which suggests that a relationship worth studying is that between alienation and what we define as freedom). Nevertheless, the issue is there: dictatorship of the working class? Or of the capitalist class, behind the front of the market, and the supreme deity, money?

Hal Jamison

Sacramento, California
February 1976

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ON THE WORK ETHIC

I write in regard to Albert Ruben's book review entitled "The Anachronism of the Work Ethic" (MR, January 1976), which puts forward a view of work very common among the New Left of the 1960s. I write as one who once shared to some extent Ruben's attitude toward labor. However, over the intervening years, I have become convinced that while the New Left was often right in its attacks against the alienation of work under capitalism, it failed completely to deal practically or theoretically with the place of labor in human development and progress. This failure was, I believe, central to the New Left's inability, as a movement, to transcend the middle-class nature of its critique, to establish any form of ongoing organization, or effectively to expand its protest movement into a broader movement of the working class. The question raised by Ruben is therefore important.

The core of the issue is expressed by Ruben when he bemoans the fact that both Studs Terkel's and Barbara Garson's books "do more to perpetuate the identification of work and worth than to dispel it." This identification Ruben ascribes (as do many others) to the "Puritan ethic." However, the man who more than any other in human history linked *worth* and *work* was Karl Marx. Marx, in sharp and conscious contrast to the pious worthies of Puritanism, focused on the central importance of productive labor (the *content* of work), while the Puritans were concerned with busy-ness, industriousness, and the struggle against wicked idleness (the *form* of work). Marx understood that "idleness" (rest, relaxation, dancing, fishing, and suchlike) is mutually

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exclusive of productive labor only for those bourgeois, idealist, spiritual moralists who deal in ideas and abstractions. In that rarified and purified realm, work and idleness do indeed conflict. They have been brought into conflict on a real level in bourgeois society as well. However, for men and women of flesh and blood, mind and body, they are deeply intertwined and complementary.

It was Marcuse and others of the New Left (though by no means all) who approached equating freedom with play. In their fantasies of the liberated society, machines would nearly abolish the realm of necessity and we would be left to our mind games. No! It is good to wrestle and shape metal, to build houses, to cut wood, to mine metal and coal, to grow food, to dig the earth. As long as human beings live on this earth, they will do these things so they may love and dance and sing and sleep. To work we must eat, to eat we must work. Freedom is rooted in necessity. It is wrong that anyone should break his or her back in labor, but is it so bad to sweat?

J. Appleseed

Philadelphia, Pennsylvania
February 1976

UNDERDEVELOPMENT IN TURKEY

Alain Rawick's "Glimpses of Underdevelopment" in Turkey (MR, November 1975) is more a glance cast at the kind of Middle Eastern exoticism that fascinates the typical middle-class American from Peoria, Illinois, than a proper perception of underdevelopment. Is underdevelopment really all about "shabbily dressed, mustached men," "veiled women," and a "young child in rags"? Surely Rawick must have crossed the most modern of all bridges, the Bosphorus Bridge, traveled on the best-laid of expressways to arrive at the luxurious Hilton Hotel, to be surrounded by smart-looking men and women and to indulge himself in such a rich and "developed" environment, in a cup of Turkish coffee served by pretty maidens dressed in traditional fashion without losing much of their shapely modern appearance.

Perhaps Rawick's populist conscience has kept him away from such modes of life—but the point remains that had his "glimpse"

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been cast in the latter direction, as for example would befit a *Time* correspondent, given the same tone of his letter but in a reverse direction, we would have been astonished at how magnificently successful these Turks have been in development.

Both accounts, however, would be fundamentally misleading, insofar as the development/underdevelopment *problématique* is concerned. Development/underdevelopment is not a story of riches or of rags, nor is it really young girls dependent on their mothers and *müezzins* calling through loudspeakers. The perception of underdevelopment requires not a linear, but a dialectical understanding, as Samir Amin so rightly points out in his correspondence in the same issue of MR. Rawick is so constrained in his glimpse that it is fundamentally misleading in the direction of romantic populism and a linear conception of progress. The canned music of the Hilton and the "hawkers' cries" constitute the correct perception of underdevelopment only when they are taken together and put in the proper theoretical context of the world economy.

Ilkay Sunar and Mehmet Arda

Ilkay Sunar, PhD, University of California, Berkeley, and Mehmet Arda, UC Berkeley PhD candidate, are both currently on the faculty of Ankara University.

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(*Continued from inside front cover*)

of Marx and Engels and Lenin before him, lay precisely in his uncompromising commitment to revolution. What Engels said in his speech at Marx's graveside on March 17, 1883, is equally applicable to Mao Tse-tung: "For Marx was before all else a revolutionist. His real mission in life was to contribute, in one way or another, to the overthrow of capitalist society and of the state institutions which it had brought into being, to contribute to the liberation of the modern proletariat. . . .Fighting was his element. And he fought with a passion, a tenacity, and a success such as few could rival. . . ."

It is with sadness that we record the death at the age of 76 of our old friend Maurice Dobb, a distinguished member of the economics faculty at Cambridge University since the early 1920s until his recent retirement. If one can speak of an English school of Marxism, Maurice Dobb surely has the best claim to be considered its founder. Monthly Review Press is honored to be the publisher of the American edition of one of his best known works, *An Essay on Economic Growth and Planning* (1969).

As readers know, we regularly include in this space notices concerning other publications. The essential criterion, however, is that MR readers are not likely to hear about the subjects of the notices through media which we assume are usually available to them. This explains why many worthy journals and causes are not mentioned. (Will the subscriber who recently wrote us a long letter complaining that we had ignored *Osawatomie* and *Prairie Fire,* publications of the Weather Underground, please take note. These publications have been well publicized in media which must be familiar to most MR readers. While citing them for illustrative purposes, however, we might as well include an address from which they can be obtained: Prairie Fire Distributing Committee, P.O. Box 411, Times Plaza Station, Brooklyn, N.Y. 11217.) Here are two announcements which seem to fulfill the essential criterion:

(1) "Source," a radical collective which publishes resource guides for community organizers (subjects covered so far include health care, housing, women in prison, economic justice) is in desperate need of new full-time members. Room and board are provided. Write to Box 21066, Washington, D.C. 20009.

(2) John Gurley, author of "The Formation of Mao's Economic Strategy, 1927-1949" in MR's 1975 special summer issue, has written a book for the Stanford Alumni Association entitled *Challenge to Capitalism: Marx, Lenin, Mao,* which we highly recommend as an introductory text, and which is now available to the general public (San Francisco Book Co., 2311 Fillmore St., San Francisco, Ca. 94115—paperback: $3.95; hard cover: $8.95).

As we go to press, responses to the 1976 MR Associates annual appeal letter are just beginning to come in. It is too early to say anything but that we are hoping for the best: if you haven't already joined the Associates with as large a contribution as you can afford, please do so without further delay. One caution is in order, however: Charles Bettelheim's *Class Struggles in the USSR* (vol. 1), which is this year's free book, will not be ready for delivery until some time in November. So please be patient and don't flood us with letters asking what happened to your copy.

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